

CONTRACT #9
RFS # 332.42-02-07

University of Tennessee
Knoxville Campus

VENDOR:
Blackboard, Inc.



RECEIVED

NOV 07 2006

FISCAL REVIEW

November 7, 2006

Mr. Jim White
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

Dear Mr. White:

The University of Tennessee is submitting for the committee's review a non-competitively bid contract amendment with the Blackboard, Inc. for additional hosting services and storage.

Blackboard is a web-based software system which is used to support flexible teaching and learning in face-to-face and distance courses. It provides tools and facilities for online course management, content management and sharing, assessment management, and online collaboration and communication. The university contracts with Blackboard for both the licensing of the software and the hosting of the web-based content. This amendment adds additional storage and service units for the hosting service necessary to keep us in compliance. A service unit represents the number of users actively hitting the server and utilizing bandwidth on the system.

This amendment is before the committee for review because the maximum contractual period is over one year with a cumulative cost of \$776,300. The effective date of this agreement is January 1, 2007. I apologize to the committee for this amendment not meeting the sixty-day requirement; the university was uncertain as to its non-compliance with service units and was undergoing discussions with the vendor to rectify.

If you have questions or need additional information, please let me know.

Respectfully,

Sylvia Shannon Davis
Vice President for Administration and Finance

c: Dr. John D. Petersen
Ms. Denise Barlow
Mr. Brice Bible
Mr. Anthony Haynes

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
332.42-02-07				N/A			
State Agency				State Agency Division			
University of Tennessee				UT Knoxville			
Contractor Name				Contractor ID # (FEIN or SSN)			
Blackboard, Inc.				<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V-			
Service Description							
Amend previous contract for additional users and storage for hosting services.							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
1/1/2006		6/30/2007		Vendor		N/A	
Mark Each TRUE Statement							
<input type="checkbox"/> N/A Contractor is on STARS				<input checked="" type="checkbox"/> X Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
332.42		N/A		N/A		N/A	
Funding Grant Code		Funding Subgrant Code					
N/A		N/A					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2001				\$ 140,000.00	\$ 140,000.00		
2002				\$ 50,000.00	\$ 190,000.00		
2003				\$ 64,800.00	\$ 254,800.00		
2004				\$ 258,000.00	\$ 512,800.00		
2005				\$ 172,000.00	\$ 684,800.00		
2007				\$ 91,500.00	\$ 776,300.00		
TOTAL	\$ -	\$ -	\$ -	\$ 776,300.00	\$ 776,300.00		
COMPLETE FOR AMENDMENTS ONLY				State Agency Fiscal Contact & Telephone #			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Sylvia Davis, 865-974-2243				
2001	\$ 140,000.00		State Agency Budget Officer Approval Sylvia Shannon Davis, VP Administration and Finance				
2002	\$ 50,000.00						
2003	\$ 64,800.00						
2004	\$ 258,000.00						
2005	\$ 172,000.00						
2007		\$ 91,500.00	Funding Certification (certification required by T.C.A. § 9-4-5110 that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)				
TOTAL	\$ 684,800.00	\$ 91,500.00					
End Date	June 30, 2007						
Contractor Ownership (complete only for base contracts with contract # prefix T-A or CR) N/A							
<input type="checkbox"/> African American <input type="checkbox"/> Asian		<input type="checkbox"/> Person w/ Disability <input type="checkbox"/> Female		<input type="checkbox"/> Hispanic <input type="checkbox"/> Native American		<input type="checkbox"/> Small Business <input type="checkbox"/> NOT disadvantaged <input type="checkbox"/> OTHER minority/disadvantaged—	
Contractor Selection Method (complete for ALL base contracts—N/A for amendments or delegated authorities)							
<input type="checkbox"/> RFP <input checked="" type="checkbox"/> Non-Competitive Negotiation		<input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)		<input type="checkbox"/> Alternative Competitive Method <input type="checkbox"/> Other			
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
Amendment for additional hosting services and storage on existing contract; vendor is only provider of these extended services.							

**THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE AMENDMENT**

APPROVED:

UT System Office Approval

Date

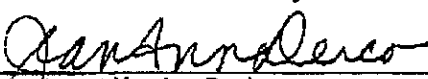
EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

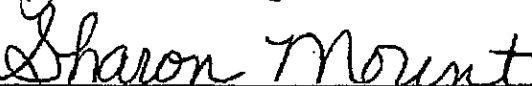
1) UT Tracking Number:			
2) Campus/Institute Name:	University Tennessee Knoxville		
EXISTING CONTRACT INFORMATION			
3) Short Description:	Blackboard ASP agreement		
4) Proposed Vendor:	Name:	Blackboard Inc.	
	Vendor Number:	1012565	
	Vendor ID:	52-2081178	
5) Contract #	91044, 85370 *		
6) Contract Start Date:			March 5, 2004
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:			June 30, 2007
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:			\$91,500
PROPOSED AMENDMENT INFORMATION			
9) <u>Proposed</u> Amendment #			
10) <u>Proposed</u> Amendment Effective Date:			January 1, 2007
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:			June 30, 2007
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:			\$31,350 /\$62,700 annual
13) Approval Criteria: (select one)	<input type="checkbox"/>	use of Non-Competitive Negotiation is in the best interest of the university	
	<input checked="" type="checkbox"/>	only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service			

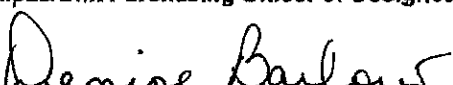
Increases available storage and service units provided by Blackboard ASP to UTK.	
15) Explanation of Need for the Proposed Amendment:	
UTK is currently exceeding both users and storage under the original contract, so this amendment is necessary to bring UTK into compliance.	
16) Name & Address of Vendor/Contractor's Current Principal Owner(s): <u>(not required if proposed contractor is a state education institution)</u>	
Blackboard Inc. 1899 L Street NW, 5 th Floor Washington, DC 20036	
17) Documentation of Office for Information Resources Endorsement: N/A (required <u>only</u> if the subject service involves information technology)	
18) Documentation of Department of Personnel Endorsement: N/A (required <u>only</u> if the subject service involves training for state employees)	
19) Documentation of State Architect Endorsement: N/A (required <u>only</u> if the subject service involves construction or real property related services)	
20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :	
This additional service unit and storage can only be supplied by the original contract vendor.	
21) Justification for the Proposed Non-Competitive Amendment :	
This additional service unit and storage can only be supplied by the original contract vendor.	

APPROVALS:

\$50,000 or Less


 Department Head or Designee


 Campus/Unit Purchasing Officer or Designee


 Chancellor/Chief Business Officer or Designee

10-26-06
 Date

10/30/06
 Date

10/31/06
 Date

Additional Approval (System) -- Greater than \$50,000

Vice President or their Designee

Date

Additional Approval -- \$250,000 or Greater

97671

VOID IF EXECUTED AFTER: December 29, 2006

Customer: University of Tennessee, Knoxville



Blackboard

AMENDMENT

**TO THE UNIVERSITY OF TENNESSEE, KNOXVILLE BLACKBOARD ASP SCHEDULE B AGREEMENT
DATED MARCH 5, 2004 BETWEEN BLACKBOARD INC. AND UNIVERSITY OF TENNESSEE, KNOXVILLE**

This Amendment to the ASP SCHEDULE B dated March 5, 2004 ("Schedule") between Blackboard, Inc. ("Blackboard") and University of Tennessee, Knoxville ("Customer") is made as of January 1, 2007.

The purpose of this amendment is to modify the existing Schedule to include an addition ASP Service Unit, additional ASP Storage, and additional ASP Bandwidth.

The parties hereby agree to the following terms and conditions.

I. Section ASP-SCHEDULE OF FEES is hereby modified to include the following:

ASP - SCHEDULE OF FEES

Product Description	Initial Active User Capacity	Initial Bandwidth	Initial storage	Initial Term Annual Fees (USD)
Blackboard ASP - Additional Storage			500GB	\$30,000
Blackboard ASP - Additional Service Unit	7,500	512 Kbps	20GB	\$32,700
Blackboard ASP - Additional Bandwidth		2 MBPS		\$11,520
Prior Reduction for Additional Bandwidth				<\$11,520>
Total Fees Due:				\$62,700

ALL OTHER TERMS AND CONDITIONS REMAIN IN FULL FORCE AND EFFECT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BLACKBOARD

Customer: University of Tennessee, Knoxville

Signature
TESS FRAZIER - VICE PRESIDENT

Print Name and Title

Signature

Print Name and Title

Date:

Date:

THE UNIVERSITY OF TENNESSEE
JUSTIFICATION FOR NON-COMPETITIVE PURCHASES AND CONTRACTS
Values of \$50,000 or More

95685

63848, 74829, 81374, 82549
 86977, 90999

Contract Tracking Number

Requisition Number for Items Processed through Purchasing:

10023737 MW

This form must be completed for all non-competitive purchases for goods or services that are secured either through a purchasing requisition or a contract for expenditures of \$50,000 or more. This form and any other documents that support the justification of a non-competitive purchase **must be approved in advance** of securing the goods or services. Approvals include the Department Head, Director of Purchasing, and the Chief Business Officer or their designees. The Chancellor or Vice President or designee must approve expenditures of \$100,000 or more. The Vice President for Administration and Finance, or designee, must approve expenditures of \$250,000 or more.

Non-competitive service contracts, including amendments that cumulatively exceed \$250,000 must be routed to the Tennessee Legislative Fiscal Review Committee for comment. The Fiscal Review Committee has 15 days from the receipt of the contract information for comments. A minimum of 30 days will be required to process service contracts exceeding \$250,000.

Information Related to the Purchase of the Goods or Services

1. Type of Request:

Non-Competitive Contract (Sole-Source) ☐
 Contract thru Purchasing ☐
 Requisition thru Purchasing ☒

2. Prepared By:

Name: Pattie Broughton
 Email address: pbrought@utk.edu
 Phone No: 4-5358

3. Cost Center or WBS Element:

Name: Innovative Technology Center
 Number: E01-0157-03

4. Proposed Contractor or Vendor:

Name: Blackboard Inc
 Address (Street): 1899 L Street NW, 5th Floor
 Address (City, State, and Zip Code): Washington DC, 20036

5. Effective Date:Beginning Date May 19th, 2006Ending Date May 18th, 2007**6. Estimated Cost:**

\$100,000.00

7. Source of Funds (e.g. state funds, federal funds, etc.):

Student Fee

8. Is this an amendment to an existing contract/purchase order?☐ Yes☒ No**9. If Yes,**

Number of Original Contract/Purchase Order

Beginning Date of Original Contract/Purchase Order

Amount of Original Contract/Purchase Order

Accumulated Cost with this amendment

10. Describe the primary reason the University is entering into this contract/purchase

The \$100,000.00 covers the annual maintenance required by Blackboard for support and version updates.

11. Describe the goods or service to be acquired.

The Blackboard Learning and Community System is a software application the University offers to faculty so that they can better manage the online components of their courses. It integrates with SIS so that faculty and students are automatically populated into their correct courses and 24 x 7 access is provided for Web-enabled materials. Other features of the course-management portion of the product include a virtual classroom, discussion boards, assessment tools, and an online gradebook

Additionally, the community portion of the product offers the same kinds of functionality for the University's organizations.

Through this agreement UT licenses both the software product and the Blackboard technical support for it during the coverage period.

12. Is there an urgent need or an emergency preventing competitive methods?☒ Yes☐ No☐ N/A

If yes, please explain:

The need is urgent in that when the current license expires we would lose access to an integral, enterprise system used by approximately 30 percent of the course sections offered at the University to deliver materials, including graded assignments. Even a short service interruption would be highly disruptive to users.

13. Is there only one product or service that can meet the specific needs or must the product or service be provided by this particular source.

☒ Yes ☐ No ☐ N/A

If yes, please explain:

This particular software product is provided exclusively by this particular source.

Blackboard is the dominant, primary vendor in the course-management arena. Moreover, the University has maintained a relationship with this vendor for more than seven years so that the product is heavily integrated with and customized to University-specific needs. Students and other users are accustomed to the interface, the ITC has trained thousands of faculty members to use it, and faculty have invested countless hours in developing their intellectual property for Blackboard courses. Hence, the cost and disruption of changing to a different product is essentially prohibitive, especially in terms of a competitive bid.

14. Does proposed contractor or vendor have experience providing same or similar goods or services?

☒ Yes ☐ No

15. Has the department ever purchased these same goods or services from this vendor?

☒ Yes ☐ No

If yes, what procurement method was used? (Ex. Competitive, Non-Competitive, etc.)

Non-Competitive

16. If for services, was an effort made to use existing University employees to perform services?

☒ Yes ☐ No

If no, why not?

17. Is the contract for services from another governmental unit, such as a State or federal agency, or from another college or university?

☐ Yes ☒ No

Justification

A complete justification must be provided to explain why the University should acquire the goods or services through non-competitive procurement request rather than through a competitive process. (Note: Being the "only known" or "best" is not deemed adequate justification.)

As stated above, this license is offered by only one vendor, and the software provided is uniquely integrated with University data systems. When it was originally purchased, other vendors were considered, and Blackboard (then CourseInfo) was competitively selected by faculty evaluation. Since then Blackboard has consolidated its position as the dominant product in its niche, with the result that it offers substantial advantages based on size alone: user communities, plugins and building blocks, partnerships with textbook companies and course cartridges, etc. Moreover, as a longterm investment Blackboard has been customized to the University's particular needs and capacities, and user training and intellectual-property contributions also represent a substantial resource commitment.

Finally, in a separate agreement, Blackboard offers ASP hosting for the system. Were we to purchase some alternative course management system, we would also have to either find a vendor that offered ASP hosting and negotiate that contract as well, or purchase additional hardware and attempt to bring course management back to campus.

Approvals

\$50,000 to \$100,000

[Signature]
Department Head or their Designee

4/6/06. 5/11/06
Date

Sharon Mount
Campus/Unit Purchasing Officer or their Designee

5/15/06
Date

Denise Barlow
Chief Business Officer or their Designee

5/23/06
Date

Additional Approval for \$100,000 or more

[Signature]
Vice President or Chancellor or their Designee

5/25/06
Date

Additional Approval for \$250,000 or more

Sylvia Haines
Vice President for Administration and Finance or Designee

5-30-06
Date

Reported to FRC on ^{Quarterly} purchasing report as SJ
Product requested by bid (P)

THE UNIVERSITY OF TENNESSEE

CONTRACT

RFQ: 100 23737

95685

This Contract, made and entered into on May 2000, documents the agreement between The University of Tennessee (hereinafter University) and Blackboard Inc. (hereinafter Contractor).

This Contract consists of this cover page, the University's Standard Terms and Conditions (on reverse), and additional pages. Terms contained on this cover page and the University's Standard Terms and Conditions shall prevail over those of any other contracts otherwise stated under "Other terms" below.

Contractor will provide the following:

Maintenance for Learning System at the cost of \$87,500.00 and Community System at the cost of \$32,500.00 for 1 year.

The period of performance under this contract is from 05/19/2000 through 05/18/2007. However, the University may terminate this Contract by giving the Contractor at least thirty (30) days written notice before the effective termination date, in which event the Contractor shall be entitled to receive equitable compensation for satisfactory authorized work completed as of the termination date.

The University will compensate the Contractor \$ 100,000.00 per year.

Other payment terms:

The University's maximum liability under this Contract is \$ _____.

Other terms (N/A if none):

UA #: 90999

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives.

FOR CONTRACTOR:

Signature

Name (Printed)

Title

Address

Telephone Number

SSN or Fed. Id. No.

Rev. 2-1-97

FOR UNIVERSITY:

OIT

Department Name

ED10157003

Responsible Account
(If applicable)

Administrative Signature
(Optional)

Authorized Official

Sylvia Shannon Davis
Vice President